What is the alternative fuel vehicle income tax credit?

A Colorado income tax credit is available for:

the purchase of an alternative fuel vehicle, a motor vehicle that is converted to use alternative fuel, or the replacement of the power source of a vehicle with a power source that uses alternative fuel.

To qualify, the vehicle must be titled and registered in Colorado. The credit is only available in the year during which the vehicle was purchased or converted. A vehicle can qualify for this credit only one time.

Alternative fuel vehicles are generally vehicles that run on compressed natural gas, propane, ethanol, or any mixture of ethanol containing 85% or more ethanol by volume with gasoline or other fuels, or electricity. The Hybrid Gas/Electric Vehicles do qualify as alternative fuel vehicles for the purpose of this credit. Mild hybrid and E85 Vehicles do not qualify as alternative fuel vehicles for the purposes of this credit.